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SOURCE Ta Kung Pao.

KAO KANG DISCUSSES ECONOMIC RECONSTRUCTION

The following is the fourth part of the report given by Kao Kang to the first CCP Northeast Delegates Conference on 13 March 1950.

Problems Arising in the Program

1. Estimates

Our estimates for 1949 are finished. Now we are preparing to realize the plans for 1950. If we could organize our economy and all work together, then we could succeed in advancing our production power. But, without the guidance of estimates, we would still be struggling blindly.

Our experiences in 1949 show that we lack an adequate sense of planning and that our plans are highly defective; this is due to our lack of experience.

For example, the organization and liaison existing between our individual economic agencies, high and low levels of government, public and private industries, etc., are still too loose. We have not yet found a system of binding together the individual economic agencies and functions in some form which approximates what we want. It is essential in our plans for economic advancement to achieve this.

But we have had some profitable experiences as well, both in the Northeast and in Manchuria. One essential strong point is our contract system. Purchase-order contracts, marketing contracts, labor-management contracts, etc., have been signed between various agencies of the same type and of different types. This system strengthens our estimates, develops production, brings the small producer into our plans, and enables the enterprises under private capital to enter our estimates picture through contracts. As the contract system is one of our most vital structures, we are preparing to broaden its scope until it includes the whole nation.

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It is essential that we study all factors in our contract system to correct past errors and overcome defects. In broadening the scope of our contract system, we must avoid formalism and take care to profit by our newly gained experience. Although long-term contracts are often not possible under our present circumstances, there are many instances where there is no impediment to short-term contracts. We must be careful constantly to examine our activities and make the necessary adjustments.

2. Enterprise Controls

The problem of controlling business enterprises is one of leadership. The three factors in enterprise control are: (a) the establishment of a system of responsibility; (b) the thorough democratization of enterprises; and (c) a thorough system of economic calculation.

a. System of Responsibility

In establishing of a system of responsibility, we have found many people who will accept abstract responsibilities but not concrete ones. They do not realize that the seemingly insignificant little things all go together to form our whole economy. Irresponsibility has led to a number of accidents, such as mine explosions, forest fires, etc., involving considerable loss of life and property. Our efforts will succeed only if we accept our responsibilities both great and small.

b. Democratization of Enterprises

The democratization of enterprise administration is one of our essential processes; it consists in converting imperialist or bureaucratic capitalist enterprises into people's enterprises. The main thing at present is to improve our factory control committee.

There must be representatives of the party and the labor union on the committee to oppose bureaucratic tendencies. By this means there can be brought about a unity of laborers, technicians, and staff members in each of their own groups and then a general unity of all the groups to solve the factory problems and promote the productive and political consciousness of all in an effective struggle against reactionary elements.

There is no conflict here with the system of responsibility; rather the two systems harmonize. Our system of business responsibility must be based on the foundation of mass consciousness and mass positivism; otherwise, desirable results may not be achieved. Our system of business responsibility is based on democracy and our democratic system of control is a system of democratic responsibility. The chairman of our factory control committee is the factory superintendent. There is a democratic and a collective unified relationship. Some people have the idea that a system of responsibility and democracy are two incompatible things, which is a wholly mistaken viewpoint.

The superintendent is an appointee of a government financial agency and carries responsibility toward the nation's finances. He is responsible to his superiors, but he must listen to the ideas and proposals of the people in all branches of the factory, and present them to his superiors, and carry out the suitable ideas and proposals.

He must present the production policies of the factory to the control committee for discussion; plans for each year, quarter, and month must be discussed in the labor union delegate's meeting. Whoever neglects or opposes democratic activities and is unwilling to depend upon the masses, the Party, and the labor union, but follows an individualistic course, is entirely wrong.

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Agricultural Production

There are, at present, four important aspects to the agricultural economy of the Northeast.

1. Individual economy.

2. That based on the individual economy of the farmers private capital, but expressed in the form of mutual enterprises and consumer cooperatives.

3. A small, but growing, new well-to-do farmer economy.

4. Publicly operated farms.

In addition to nationally operated farms, each province and hsien has at least one and sometimes several. Some chu also have them on a small scale. While there are other types of agricultural activity in the Northeast, their influence is small.

The central agricultural objective of the Party is to increase the production of grain and industrial raw materials with the elevation of the living standards of the agriculturists as the basic purpose.

We must promote the welfare of the peasants by encouraging them to employ better equipment and methods and build better homes. Anything in our program that opposes the interests of the peasants must be discontinued.

We must increase our efforts to encourage the mutual-help and work-exchange program. In northern Manchuria, at least two horses are required to pull a plow in old land and five or six to a plow in breaking new land. The peasants should be encouraged in the mutual-help program, as well as in other ways, to attain a better life.

In this matter there must, however, be complete freedom of choice based on the advantages, disadvantages, and personal experience.

We must preserve complete objectivity in our work; there can be no compulsion in our treatment of the peasants. Our objective is not the appearance of success in our organization, but the effectiveness of it in increased production of agricultural goods.

If we are successful, more and more people will want to join; conversely, fewer and fewer if we fail. But even though production is increased, no one may be compelled to enter into the program, nor may we look down upon anyone who chooses to follow an individualistic course, nor refuse to aid them in solving their problems. These individualists are still workers and must be led in the right direction and educated.

They must be given a concrete demonstration of the practical economic advantages of the mutual-aid program and they will eventually be glad to join.

The new well-to-do peasant class should be given some leeway in hiring labor, renting, mortgaging, and selling land, so long as they live within the law.

When government farms were started, much personnel and funds were employed without a commensurate improvement of methods, seed, or equipment as an example to the peasants. In the future, improvement must be made and good relations established with the agricultural community so that the influence of the farms will be beneficial. More attention should be given to tractor farming as an example to the peasants.

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Rural branches (chih pu) and Party members should be instructed to take part in mutual-aid and work-exchange organizations and in cooperatives, thus furnishing an organizational stability to the movement and incidentally benefiting their own economy.

Frequently, however, Party members shy away from these organizations. In these cases, more education must be given. The problem cannot be solved merely by orders from above.

If, after land reform, some Party members by thrift become well-to-do farmers and decide to leave the Party, they should be allowed to do so. Those who manifest a negative attitude toward the Party should be deprived of their membership in accordance with Party procedure, with the hope they will conduct themselves as good citizens. No action should be taken affecting their economic status.

As for those who are influenced by others to seek to leave the Party, they should be treated differently than negativists, and their cases should be studied by Party agencies and dealt with on their merits. Those who apparently can maintain Party standards, obey the laws of the land, without highhanded conduct among the masses, may have their membership maintained. But if they lose the spirit of the Party and fail to observe the basic rules for membership, they should be expelled in accord with the rules to preserve the purity of the Party.

Need for Unified Effort

We have talked much about our program and there are many other important questions confronting us, such as preparation of a great force of technicians, but we need not discuss them further now.

Our great need, comrades, is to unite and stand at the forefront of the economy, on the same plane with the working class, the farmers, the technicians, and the intelligentsia, and work together with them. At the same time, we should be getting many more of the progressive workers into our membership.

True, we are novices in economics, in culture, in Marxist and Leninist principles. These are our weaknesses. But these weaknesses are not the things to be most feared. What we need fear most is our hesitancy to study. If we are willing to learn, there is no fortress or difficulty we cannot successfully overthrow. Because of our faith in its principles, the revolution has succeeded; with the same attitude toward the economic reconstruction program it, too, must succeed.

Every cadre must be a specialist in some branch of Party work, and must study the principles of Marx, Lenin, Engels, and Stalin, and the ideas of Mao Tse-tung so that we may have a long-range vision, increasing our faith and knowledge to better accomplish our task.

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